



# Health Services

LOS ANGELES COUNTY

## Los Angeles County Board of Supervisors

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Second District

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Third District

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Fourth District

**Michael D. Antonovich**  
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**John F. Schunhoff, Ph.D.**  
Interim Director

**Gail V. Anderson, Jr., M.D.**  
Interim Chief Medical Officer

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[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*To improve health  
through leadership,  
service and education.*



[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

September 28, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

### **FISCAL YEAR 2009-10 YEAR-END BUDGET ADJUSTMENT (ALL DISTRICTS) (4 VOTES)**

#### **SUBJECT**

Request approval of Fiscal Year 2009-10 Year-End Budget Adjustments for the Department of Health Services.

#### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached Fiscal Year (FY) 2009-10 Year-End Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to adjust the designation balance, as of June 30, 2010, to \$3.9 million.
2. Approve the attached FY 2009-10 BA (Attachment II) to realign the available funding for the Measure B Special Revenue Fund.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The Board's approval of these BA's (Attachment I and Attachment II) for FY 2009-10 will:

1. Establish a DHS designation fund balance, as of June 30, 2010, of \$3.9 million, resulting from a \$3.9 million FY 2009-10 operating surplus (Attachment III). Also, reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2009-10 financial experience.
2. Align appropriations and revenues within the Measure B Special Revenue Fund in accordance with FY 2009-10 final experience.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

These actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

29 September 28, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**FISCAL IMPACT/FINANCING**

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2009-10. It also adjusts the designation balance to \$3.9 million, as of June 30, 2010. (See Attachment III for the components of the \$3.9 million surplus.)

On December 2, 2003, your Board approved Auditor-Controller recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$6.4 million resides in the Provisional Financing Uses of the ACO fund as of June 30, 2010. This includes \$0.1 million in interest that was earned on the balance in FY 2009-10. Of the \$6.4 million, \$3.0 million represents total encumbrances, and \$3.4 million represents available fund balance for future use. In FY 2009-10, \$3.7 million was expended in the ACO fund.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Not applicable.

**CONTRACTING PROCESS**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This Year-End BA has no impact on current services.

Respectfully submitted,



John F. Schunhoff, Ph.D.  
Interim Director of Health Services

JFS:aw

M:\Accrual\FY 09-10\B - Closing BA\3) DHS Closing Letter color - 09.13.10.doc

Attachments (3)

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Auditor-Controller

PINK (1)

BA FORM 09/09

BOARD OF  
SUPERVISORS  
OFFICIAL COPY

COUNTY OF LOS ANGELES

## REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. 110  
NO.

August 25, 2010

## AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009-10

4 - VOTES

SOURCES

See Attachment I-B for details

USES

See Attachment I-B for details

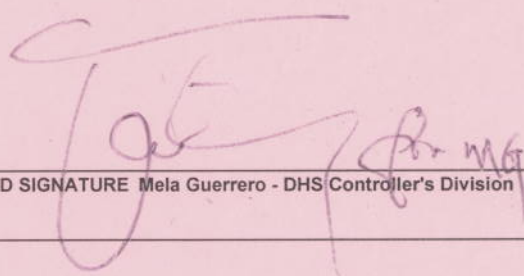
SOURCES TOTAL: \$ 313,689,000

USES TOTAL: \$ 313,689,000

JUSTIFICATION

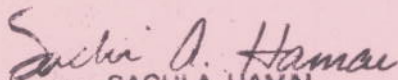
This budget adjustment is necessary to increase the DHS Enterprise Fund designation to \$3.9 million and realign certain appropriations and revenues within Department of Health Services in accordance with FY 2009-10 final experience.

ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES
  
 AUTHORIZED SIGNATURE Mela Guerrero - DHS Controller's Division

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

29 SEP 28 2010

  
 SACHI A. HAMAI  
 EXECUTIVE OFFICER
REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO.

915

BY

Sept. 15 20 10

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

Sept. 15 20 10

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2009-10**

**ATTACHMENT I-B  
Page 1 of 3**

**4-VOTE**

**SOURCES:**

<b>LAC + USC Healthcare Network (LAC + USC Medical Center)</b>	
MN4-HG-60010-96-9910	
Operating Transfers In - Measure B	4,584,000
MN4-HG-60010-1000	
Salaries & Employee Benefits	2,055,000
MN4-HG-60010-2000	
Services and Supplies	8,888,000
MN4-HG-60010-5500	
Other Charges	2,205,000
MN4-HG-60010-6030	
Capital (Fixed) Assets	760,000
MN4-HG-60010-92-9416	
Safety Net Care Pool	57,022,000
MN4-HG-60010-92-943F	
Coverage Initiative	763,000
Total LAC + USC Healthcare Network	<u>\$ 76,277,000</u>

<b>Coastal Network (H/UCLA Medical Center)</b>	
MN1-HH-60020-1000	
Salaries & Employee Benefits	1,496,000
MN1-HH-60020-2000	
Services and Supplies	6,399,000
MN1-HH-60020-5500	
Other Charges	9,493,000
MN1-HH-60020-6030	
Capital (Fixed) Assets	290,000
MN1-HH-60020-92-943F	
Coverage Initiative	154,000
MN1-HH-60020-96-9910	
Operating Transfers In - Measure B	587,000
Total Coastal Network	<u>\$ 18,419,000</u>

<b>Southwest Network (MLK MACC)</b>	
MN5-HK-60030-96-9912	
Operating Subsidy	39,954,000
Total Southwest Network	<u>\$ 39,954,000</u>

<b>Rancho Los Amigos National Rehabilitation Center</b>	
MN7-HR-60040-1000	
Salaries & Employee Benefits	10,635,000
MN7-HR-60040-2000	
Services and Supplies	5,387,000
Total Rancho Los Amigos NRC	<u>\$ 16,022,000</u>

**USES:**

<b>LAC + USC Healthcare Network (LAC + USC Medical Center)</b>	
MN4-HG-60010-96-9911	
Operating Transfer In	7,107,000
MN4-HG-60010-96-9912	
Operating Subsidy	69,170,000
Total LAC + USC Healthcare Network	<u>\$ 76,277,000</u>

<b>Coastal Network</b>	
MN1-HH-60020-96-9911	
Operating Transfer In	2,647,000
MN1-HH-60020-96-9912	
Operating Subsidy	15,772,000
Total Coastal Network	<u>\$ 18,419,000</u>

<b>Southwest Network</b>	
MN5-HK-60030-92-9307	
Cost Based Reimbursement Clinic	26,806,000
MN5-HK-60030-92-943G	
South LA Medical Services Preservation Fund	13,148,000
Total Southwest Network	<u>\$ 39,954,000</u>

<b>Rancho Los Amigos National Rehabilitation Center</b>	
MN7-HR-60040-96-9912	
Operating Subsidy	16,022,000
Total Rancho Los Amigos NRC	<u>\$ 16,022,000</u>

*Cosy 9/15/10*

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2009-10**

**ATTACHMENT I-B  
Page 2 of 3**

**4-VOTE**

**SOURCES:**

**ValleyCare Network (San Fernando & Antelope Valley)**  
MN3-HO-60050-96-9912  
Operating Subsidy 33,956,000  
  
MN3-HO-60050-96-9911  
Operating Transfer In 5,825,000

Total ValleyCare Network \$ 39,781,000

**DHS Enterprise Fund**  
MN2-HS-60070-6100  
Other Financing Uses 3,929,000

Total DHS Enterprise Fund \$ 3,929,000

**Total Enterprise Fund** \$ 194,382,000

**Managed Care Rate Supplement**  
A01-HS-19996-5500  
Other Charges 4,495,000

**Juvenile Court Health Services**  
A01-HJ-20600-1000  
Salaries and Employee Benefits 18,000

**Juvenile Court Health Services**  
A01-HJ-20600-2000  
Services and Supplies 225,000

**Juvenile Court Health Services**  
A01-HJ-20600-5500  
Other Charges 111,000

**Juvenile Court Health Services**  
A01-HJ-20600-6800  
Intrafund Transfers 179,000

**Juvenile Court Health Services**  
A01-HJ-20600-92-9307  
Cost Based Reimbursement Clinic 475,000

**H/UCLA N24 Clinic Addition**  
A01-CP-65036-77541-6014  
Capital Assets - Building & Improv. 1,000

**Central HC X-Ray Space**  
A01-CP-65036-86571-6014  
Capital Assets - Building & Improv. 6,000

**OV/UCLA Psychiatric Improvements**  
A01-CP-65036-86852-6014  
Capital Assets - Building & Improv. 120,000

**H/UCLA Radio/Flouro Room Mod**  
A01-CP-65036-86864-6014  
Capital Assets - Building & Improv. 20,000

**USES:**

**ValleyCare Network (San Fernando & Antelope Valley)**  
MN3-HO-60050-96-9910  
Operating Transfers In - Measure B 5,171,000  
  
MN3-HO-60050-92-9433  
Medi-Cal - Inpatient 20,341,000  
  
MN3-HO-60050-92-9417  
Medi-Cal DSH 11,015,000  
  
MN3-HO-60050-92-9307  
Cost Based Reimbursement Clinic 3,254,000  
  
\$ 39,781,000

**DHS Enterprise Fund**  
MN2-HS-60070-3078  
Designation for DHS 3,929,000  
  
\$ 3,929,000

**\$ 194,382,000**

**Health Services Administration**  
A01-HS-20000-92-943F  
Coverage Initiative 7,612,000

**Health Services Administration**  
A01-HS-20000-92-9804  
LAC + USC Medical Center 6,176,000

**Office of Managed Care**  
A01-HP-19975-92-9426  
CHP Medi-Cal 568,000

**Health Services - Realignment**  
A01-HS-19999-88-8899  
State Realignment Revenue 3,670,000

**VLF Realignment**  
A01-CB-10590-10591-88-8716  
State Vehicle License Fee - AB 1288 15,272,000

*Cory 9/15/10*

DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2009-10

ATTACHMENT I-B  
Page 3 of 3

4-VOTE

**SOURCES:**

**USES:**

RLA Radio/Flouro Room Mod  
A01-CP-65036-86898-6014  
Capital Assets - Building & Improv. 64,000

Augustus F. Hawkins Ward 'E' & 'G'  
A01-CP-65036-86974-6014  
Capital Assets - Building & Improv. 28,000

MLK MACC Central Sterile Rfurb  
A01-CP-65036-87012-6014  
Capital Assets - Building & Improv. 130,000

OV/UCLA Fluroscopy Room Rfurb  
A01-CP-65036-87013-6014  
Capital Assets - Building & Improv. 258,000

Hudson Pharmacy  
A01-CP-65036-87043-6014  
Capital Assets - Building & Improv. 55,000

Roybal Elevator Upgrade  
A01-CP-65036-87044-6014  
Capital Assets - Building & Improv. 44,000

RLA Talyst  
A01-CP-65036-87074-6014  
Capital Assets - Building & Improv. 15,000

General Fund Subsidy - (LAC + USC)  
A01-AC-21200-21224-6100  
Operating Transfers Out 69,170,000

General Fund Subsidy - (Coastal)  
A01-AC-21200-21226-6100  
Operating Transfers Out 15,772,000

General Fund Subsidy - (Rancho)  
A01-AC-21200-21230-6100  
Operating Transfers Out 16,022,000

Health Services Administration  
A01-HS-2000-20000  
Services & Supplies 12,080,000

Health Services Administration  
A01-HS-2000-20000  
Services & Supplies 19,000

General Fund Subsidy - (ValleyCare)  
A01-AC-21200-21232-6100  
Operating Transfers Out 33,956,000

General Fund Subsidy - (Southwest)  
A01-AC-21200-21228-6100  
Operating Transfers Out 39,954,000

PFU - Health Services - CCEP  
A01-CB-2000-13749-13763  
Services & Supplies 12,080,000

PFU - Health Services - Homeless  
A01-CB-2000-26685  
Services & Supplies 19,000

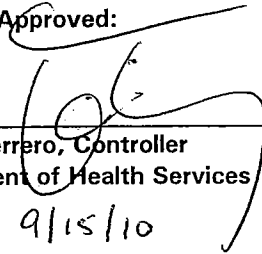
Total General Fund \$ 119,307,000

\$ 119,307,000

Total Department \$ 313,689,000

\$ 313,689,000

Noted & Approved:

  
Mela Guerrero, Controller  
Department of Health Services

PINK (1)

BA FORM 09/09

BOARD OF  
SUPERVISORS  
OFFICIAL COPY

COUNTY OF LOS ANGELES

## REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 110

August 25, 2010

## AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009-10

34 - VOTES

SOURCES

See Attachment II-B for details

USES

See Attachment II-B for details

SOURCES TOTAL: \$ 5,171,000

USES TOTAL: \$ 5,171,000

JUSTIFICATION

This budget adjustment is necessary to realign the available funding for the Measure B Special Revenue Fund in accordance with FY 2009-10 final experience.

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

*[Signature]*  
AUTHORIZED SIGNATURE Mela Guerrero - DHS Controller's Division

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

29 SEP 28 2010

*[Signature]*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO.

916

*[Signature]*  
Sept. 15 20 10

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

*[Signature]*  
Sept. 15 20 10

DEPARTMENT OF HEALTH SERVICES  
MEASURE B BUDGET ADJUSTMENT  
FISCAL YEAR 2009-10

~~4~~-VOTE  
 3

SOURCES:

Measure B - Olive View Medical Center  
 BW9-HS-41010-41013-6100  
 Operating Transfers Out

\$ 5,169,000

Measure B - Admin/Other  
 BW9-HS-41010-41017-2000  
 Services and Supplies

2,000

USES:

Measure B - LAC+USC Medical Center  
 BW9-HS-41010-41014-6100  
 Operating Transfers Out

\$ 4,584,000

Measure B - Harbor/UCLA Medical Center  
 BW9-HS-41010-41012-6100  
 Operating Transfers Out

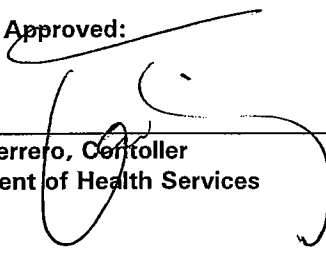
587,000

Total

\$ 5,171,000

\$ 5,171,000

Noted & Approved:

  
 \_\_\_\_\_  
 Mela Guerrero, Controller  
 Department of Health Services

8/25/2010



**DEPARTMENT OF HEALTH SERVICES**  
**SUMMARY EXPLANATION OF BUDGETARY VARIANCES**  
**FISCAL YEAR 2009-10**  
(\$ In Millions)

**ATTACHMENT III**

Sources	FY 2009-10	
<b>Deficit from Operations:</b>		
- Current Fiscal Year	\$ 6.2	
- Prior Fiscal Years	(6.7)	
Subtotal	<u>\$ (0.5)</u>	
<b>Extraordinary Expenditure Variances:</b>		
- Hard Freeze - Hiring and Capital Assets	\$ 23.1	(A)
- Cancellation of Commitments / Payables	16.3	(B)
Subtotal	<u>\$ 39.4</u>	
<b>Extraordinary Funding Variances:</b>		
- Hospital Provider Fee	\$ 144.2	(C)
- Hospital Provider Fee Revenue Placeholder	(115.0)	(D)
- Medi-Cal Redesign	(55.1)	(E)
- Coverage Initiative	34.2	(F)
- Cost Based Reimbursement Clinic (CBRC)	(24.3)	(G)
- Vehicle License Fee	(15.3)	(H)
- Sales Tax	(3.7)	(H)
Subtotal	<u>\$ (35.0)</u>	
Total Fiscal Year 2009-10	<u>\$ 3.9</u>	
<b>Other:</b>		
- Designation Balance from Prior Fiscal Years	\$ -	
<b>June 30, 2010 Designation Balance</b>	<u><u>\$ 3.9</u></u>	

**Notes:**

- (A) Surplus reflects position vacancies due to hard hiring freeze and controls to limit non-essential purchases in capital assets.
- (B) Surplus is due to lower than anticipated payments for services rendered in prior fiscal years.
- (C) The full value spans fifteen months, from April 2009 thru June 2010.
- (D) Deficit due to placeholder in DHS' FY 09-10 Final Budget in anticipation of Hospital Provider Fee approval.
- (E) Deficit is due to lower than anticipated revenue that DHS expects to receive under Medi-Cal Redesign.
- (F) Surplus is due to higher utilization of the Coverage Initiative program.
- (G) Deficit is due to lower than anticipated revenue that DHS expects to receive under CBRC.
- (H) Per final actuals provided by CEO and Auditor-Controller.